

## **FISCAL NOTE**

### **HB 3049 - SB 3023**

March 18, 2006

**SUMMARY OF BILL:** Requires a health insurance entity to reimburse a health care provider at in-network rates retroactive to the date health insurance entity received a completed credentialing application from the health care provider. The state group health insurance program and the TennCare program are exempted from the provisions of the bill.

#### **ESTIMATED FISCAL IMPACT:**

**Increase Local Govt. Expenditures – Exceeds \$100,000\***

**Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111):** Such legislation will increase premiums because health insurance plans will have to pay providers higher rates before approval as a member of the network. Such is estimated to exceed \$100,000.

#### Assumptions:

- The state group health insurance program and the TennCare program are exempted from the provisions of the bill.
- Local govt. health plans that are not part of the state health plans and that do not pay out-of network benefits based on MAC would have an increase in expenditures exceeding \$100,000.
- The Department of Commerce and Insurance currently monitors timely filing provisions and reimbursements for commercial claims. Any increase could be absorbed within existing resources.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

**HB 3049 - SB 3023**